1958 ANNUAL REPORT

General Shoe Corporation

ANNUAL REPORT FOR THE 34TH YEAR OF

General Shoe Corporation

NASHVILLE, TENNESSEE, U.S.A.

"How big is General going to grow?
Nobody knows—but the fundamental principles
on which this Company was built are
just as sound today as they were at
any time during the last 34 years.
These principles enabled us to make the
progress we have made to this date, 1958.
We believe that they are sound ones on
which to build for the future."

B. H. Willingham, *President*
General Shoe Corporation
Chicago Shoe Fair
October 26, 1958

MAXEY JARMAN
Chairman of General Shoe Corporation

BEN H. WILLINGHAM
President

ANNUAL REPORT

General Shoe Corporation

For our business year ended October 31, 1958, net sales to customers were $218,118,015. This was a decrease from last year of approximately 2%. Operating income of the company before taxes amounted to $10,247,365. After taxes and allowance for minority interest, net earnings were $5,323,228. This is equivalent to $1.89 per share on 2,471,867 shares of common stock now outstanding.

During the year we paid out our 105th quarterly dividend on common stock. In other words, for over 26 years our Company has paid a dividend every quarter on the common stock. Dividends on common stock during the year were $1.50 per share. Total dividends have averaged approximately 65% of the net earnings during the past five years. Dividends on the preferred issues have been paid in accordance with the terms of the issues.

Our balance sheet shows cash of $12,475,988, which is in excess of total current liabilities. Our total net worth is now $63,613,655, the highest in our history.

OPERATIONS

The first six months of the past year was a difficult period, with many retailers reducing inventories because their sales had declined and because of their own financial situations. During the last six months of the year the picture improved greatly. Retail sales have shown increases, customers have been buying much more freely and keeping their stocks in order. Our operations, therefore, were on a better basis during the last six months, showing an increase in both volume and earnings as compared with the same period a year ago.

The change in trend in the last few months has been so strong that we are now faced with the problem of rising costs all along the line, and the necessity for advancing our prices. We must keep on a sound basis but also must protect ourselves against speculative buying. A number of our manufacturing plants are now sold up well into the future.

We feel that the past year has been an important one from the standpoint of improving our control of operations and the consolidation of certain organization arrangements that were needed. By and large we feel that this should be quite beneficial in the future.

NEW DEVELOPMENTS

In January of 1958 we started operations in our new low-priced women's shoe manufacturing plant at Fulton, Mississippi. This is a very modern building, especially designed and constructed for us, and operating on an efficient basis. We are also going into another new plant during the next month or so at Lewisburg, Tennessee, which will be much larger and more efficient than our present plant in that community. This plant replaces an older one.

We have plans to proceed during the year with the building of a new plant in Nashville, Tennessee, to make high-grade men's shoes, and another plant in New England to provide additional manufacturing facilities for the type shoes we are now making there and which are in great demand.

During the past year we have installed a new model 705 IBM calculating machine in our Nashville office building which has facilities for greatly improving the efficiency of many phases of our administrative work. This is quite a large installation, requiring the building of a special room with special air conditioning equipment.

Although we slowed down in the development of new retail operations during the past year, we expect during the next twelve months to open up new stores at a moderate rate when and as suitable locations are available.

Our Research Division continued its progressive work during the year, and we find this is a valuable adjunct to our business. Among some of the developments are improved adhesives, pneumatic power adaptations to increase machine speeds on many machine processes and a program of geometric lasts. This geometric last program is in conjunction with the United States Government for producing military shoes. It involves a new system of grading sizes and widths in shoe lasts. This development is important in preparing the way for the installation of more automation equipment, and can also reduce the number of sizes and widths that a retailer must carry in stock in order to properly fit his customers.

During the past year we have had important developments in new brand names. Christian Dior shoes for women in the higher priced field have been growing at a rapid rate, and Cover Girl shoes for teen-age girls in the medium priced field. Both of these brand names have been well accepted.

We have also recently acquired Safety First Shoe Company of Holliston, Massachusetts. This company produces work shoes, featuring mostly a new vulcanized process which we consider to be quite important. It also has a good business in

1958 Summary

	YEAR ENDED OCTOBER 31 1958	1957
Total Volume of Business	$252,513,050	$260,491,846
Net Sales Less Inter-Branch Business	218,118,015	223,266,996
Operating Income	10,247,365	11,511,206
Taxes (Federal, State and Local)	8,771,362	9,289,282
Net Earnings	5,323,228	5,798,590
Earnings Per Share	1.89	2.07
Total Taxes Per Share	3.55	3.76
Percent of Net Earnings to Net Sales	2.44	2.60
Dividends Per Share of Common Stock	1.50	1.50
Net Worth	63,613,655	63,197,546

safety toe shoes. The acquisition of this company, which was for cash, was cleared first with the Department of Justice in Washington to be sure that it came under the terms of the consent decree to which we and the Government mutually agreed.

GENERAL COMMENT

The importation of foreign shoes is becoming a more important matter in this country and is of concern to most shoe manufacturers. Shoes have been coming in from England more or less on a prestige basis, from Italy on a craftsmanship and a cost basis, and from Japan on a low cost basis. Our Company feels that there should be adequate tariff protection to protect the American worker against the low wages of foreign workers, particularly in Japan and Italy. Even in England, average earnings of workers in shoe manufacturing plants are less than half what they are in this country. The differential is much greater in Italy and Japan. There is only a relatively nominal duty on shoes coming in at the present time.

Our own Company has established arrangements to import shoes from all three of these countries, feeling that if there is not going to be adequate protection we need to be represented in that field as well. We would prefer to see adequate tariff protection, but we doubt seriously if this is going to change much in the future. Therefore we expect our own import division to grow at a rapid pace.

The Hoving Corporation, operating the Bonwit Teller stores in New York, Chicago, Cleveland, Boston, Manhasset, White Plains and Palm Beach, is controlled by our Company through about 75% stock interest. The Hoving Corporation fiscal year

$252,513,050 of Business... How Expended

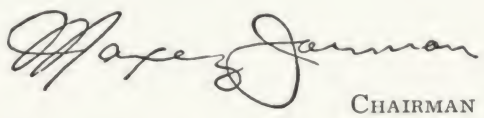
Total volume of business	$252,513,050	
Less value of products made in one division for use in another division	34,395,035	
Value of products sold to customers	218,118,015	100.0
This amount was used as follows:		
Cost of leather, other materials, products and services from outside suppliers	130,908,490	60.0
Wages of employees	65,414,948	30.0
Discounts and allowances to customers	2,126,393	1.0
Wear allowances on machinery, equipment and buildings	3,937,764	1.8
Taxes paid	8,771,362	4.0
Interest paid on borrowed money	1,453,693	.6
Share of earnings belonging to other stockholders in Hoving Corporation	182,137	.1
Expense of capital used—dividends	4,358,346	2.0
Additional equipment purchased out of earnings	160,556	.1
Balance to pay off debt and for growth	804,326	.4
	$218,118,015	100.0

ends January 31, and it publishes a separate report to stockholders. Copies of this report will be made available to any General Shoe stockholders on request. The Hoving Corporation also controls Tiffany & Co. through a majority stock interest.

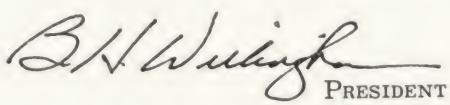
Our Company continues to develop its organization structure along the lines of specialized operating companies coordinated through the overall framework of our financial and accounting setup, and through a central Executive Committee which consults with each of these semi-autonomous operating companies. We feel that this organization structure is sound and one that will continue to contribute to the growth and earnings of our Company in the future.

We are now entering our 35th year. We feel that we are on the threshold of some of the most important developments that our Company has seen in its entire history. We have made a profit every year that we have been in business and from a very small beginning have moved to an important position in the consumer goods industry. We have strong brand names, experienced craftsmen, key distribution, outstanding fashion designers, and management in depth. In connection with this last point, we have for many years put great stress on the selection and development of young people from colleges. We are gratified to see that many of these people are now occupying key positions in our Company. Development of management people we consider to be one of the most important phases of our operation.

Expectations for the shoe industry as a whole are bright for the coming year. We believe that with our strong operating companies this next fiscal year will be very worthwhile from every standpoint.



CHAIRMAN



PRESIDENT

Nashville, Tennessee
December 2, 1958

HENRY W. BOYD, JR.
1909-1958

Rarely does any company have a president with the qualities of mind and heart that characterized Henry Boyd, President of the Company, who died on last February 22 after the briefest illness.

Right out of Cornell University as a graduate of its Mechanical Engineering School, he came straight to General Shoe in Nashville in 1931. He was the typical General Shoe career man: happy to start at the bottom, determined to advance to the top—and well-equipped to do it.

Although only 49 at his death, he had devoted 27 years of his life to the building of General Shoe Corporation. His great talents did not end with his death, but can be found in the good results of this business year as well as in those of General Shoe's future of which he will remain an inseparable part.

General Shoe

CORPORATION

and consolidated subsidiaries

CONSOLIDATED BALANCE SHEET *as of October 31, 1958*

with comparative figures for the previous year.

GSC

ASSETS	1958	1957
Current assets:		
Cash	$ 12,475,988	$ 9,423,119
Receivables, less allowance for doubtful accounts and discounts	26,699,444	25,626,694
Inventories, at lower of approximate average cost or market:		
Finished shoes and other merchandise	39,974,592	40,106,524
Raw materials and work in process	8,178,853	8,516,380
Total current assets	87,328,877	83,672,717
Officers' and employees' stock purchase accounts, secured	828,534	1,284,532
Investments in and advances to subsidiaries not consolidated, less reserves (note 1)	6,421,308	6,599,896
Other investments, at cost	79,843	144,643
Plant, equipment, and leasehold improvements, at cost less accumulated depreciation and amortization $9,692,183	11,101,516	12,432,051
Investments in consolidated subsidiaries in excess of tangible equity	1,840,568	2,005,922
Patents and trade marks	1	1
Debt discount and expense, less amortization	257,801	276,639
	$107,858,448	$106,416,401

LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 7,701,993	$ 5,754,664
Federal and state taxes on income, estimated	4,267,000	4,929,000
Total current liabilities	11,968,993	10,683,664
Long-term debt (note 2)	28,000,000	28,000,000
Minority interests	4,275,800	4,535,191
Stockholders' equity (notes 3 and 4):		
Cumulative preference stock of $100 stated value per share	14,014,200	14,650,800
Common stock of $1 par value per share. Authorized 5,000,000 shares; outstanding 2,471,867 shares	2,471,867	2,469,954
Additional paid-in capital	18,320,024	18,234,110
Earnings retained in business	28,807,564	27,842,682
Total stockholders' equity	63,613,655	63,197,546
	$107,858,448	$106,416,401

See accompanying notes to financial statements

General Shoe

CORPORATION

and consolidated subsidiaries

STATEMENT OF CONSOLIDATED EARNINGS *for the year ended October 31, 1958*

with comparative figures for the previous year.

	1958	1957
Net sales, including sales of leased departments	$218,118,015	$223,266,996
Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $3,937,764)	206,841,038	210,989,522
Contribution to employees' retirement fund	300,000	85,000
Interest on long-term debt	1,015,000	883,770
Other charges (income), net	(285,388)	(202,502)
Federal and state taxes on income, estimated	4,742,000	5,345,000
	212,612,650	217,100,790
Net earnings before minority interests	5,505,365	6,166,206
Less earnings applicable to minority interests	182,137	367,616
Net earnings for year	$ 5.323,228	$ 5,798,590

Statement of Consolidated Earnings Retained in Business

Balance at beginning of year	$ 27,842,682	$ 26,427,602
Net earnings for year	5,323,228	5,798,590
	33,165,910	32,226,192
Dividends:		
Preference stock	652,661	678,563
Common stock	3,705,685	3,704,947
	4,358,346	4,383,510
Balance at end of year	$ 28.807.564	$ 27,842,682

Statement of Consolidated Additional Paid-In Capital

Balance at beginning of year	$ 18,234,110	$ 18,186,598
Net amount realized in excess of par or stated values of common and preference shares issued and reacquired	85,914	47,512
Balance at end of year	$ 18,320,024	$ 18,234,110

See accompanying notes to financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1958

(1) Principles of Accounting:

All subsidiaries are consolidated except two subsidiaries which engage in operations of an unrelated nature, and three subsidiaries whose assets and operations are not considered significant, in the aggregate. The equity in the earnings of the nonconsolidated subsidiaries for the year amounted to $113,468 of which $75,645 was received in dividends. The total equity in the nonconsolidated subsidiaries exceeds the cost of investment by $726,577.

(2) Long-term Debt:

The long-term debt consists of the following:

3.30%	debentures dated March 1, 1955, due March 1, 1980 with annual payments of $375,000 beginning September 1, 1960	$10,000,000
3.25%	notes payable dated January 1, 1955, payable $278,000 semi-annually beginning July 1, 1962 with final payment on January 1, 1980 equal to unpaid balance	10,000,000
4.50%	note payable dated July 29, 1957, payable $2,666.666 annually beginning November 30, 1961	8,000,000
		$28,000,000

(3) Stockholders' Equity:

The various debt indentures and the Series D preference stock restrict stockholders' equity except as to $19,359,884.

Preference stock is comprised of:

Cumulative preference stock of $100 stated value per share.

Authorized 172,000 shares; outstanding:

Series A, $3.50 dividend, 32,651 shares	$ 3,265,100
Series B, $5.00 dividend, 16,521 shares	1,652,100
Series C, $4.50 dividend, 14,570 shares	1,457,000
Series D, $5.00 dividend, 76,400 shares	7,640,000
	$14,014,200

(4) Stock Options:

During the year ended October 31, 1958, the Company adopted a restricted stock option plan under which 125,000 shares of common stock are reserved for issuance to employees at not less than 85% of the quoted market value at date of grant. Under this plan options on 66,133 shares have been granted at $19.34, and 1,870 shares have been issued under the option agreement. Options expire approximately 8 years after date of grant.
In addition, 60,000 shares are reserved under a stock purchase plan for employees whereby they can acquire stock at 90% of market value but not less than book value.

ACCOUNTANTS' REPORT

THE BOARD OF DIRECTORS

GENERAL SHOE CORPORATION:

We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1958 and the related statements of earnings, earnings retained in business, and additional paid-in capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business, and additional paid-in capital present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1958 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Nashville, Tennessee
November 26, 1958

15 Year Comparison of Operations

	Total Volume of Business	Net Sales Less Inter-Branch Business	Income Taxes	Net Earnings	Per Cent of Net Earnings to Net Sales
1958	$252,513,050	$218,118,015	$4,742,000	$5,323,228	$2.44
1957	260,491,846	223,266,996	5,345,000	5,798,590	2.60
1956	230,647,014	195,159,136	5,138,000	5,912,698	3.03
1955	201,300,993	167,863,881	4,776,000	5,262,135	3.13
1954	177,460,810	150,074,016	4,332,000	4,780,052	3.19
1953	137,337,975	111,179,210	4,485,000	3,565,829	3.21
1952	129,184,661	104,285,545	3,257,000	3,340,503	3.20
1951	128,284,627	103,238,890	2,954,000	3,570,939	3.46
1950	105,314,604	84,441,016	2,377,000	3,896,715	4.61
1949	96,066,589	77,694,162	1,521,000	2,416,379	3.11
1948	99,580,268	78,682,562	1,544,689	2,639,762	3.35
1947	97,248,511	78,142,458	1,937,792	2,566,500	3.28
1946	75,367,861	61,133,798	2,207,123	2,755,372	4.51
1945	61,122,583	51,177,677	3,174,200	1,110,749	2.17
1944	53,474,786	44,716,808	3,002,650	1,007,411	2.25

	Outstanding Shares Common Stock*	Depreciation and Amortization	Earnings Reinvested In Business Development	Current Assets	Current Liabilities	Net Worth
1958	2,471,867	$3,937,764	$ 964,882	$87,328,877	$11,968,993	$63,613,655
1957	2,469,954	3,608,252	1,415,080	83,672,717	10,683,664	63,197,546
1956	2,469,954	2,984,454	2,155,459	79,465,823	12,601,851	62,007,554
1955	2,148,658	2,764,615	2,277,024	60,139,933	8,290,930	43,097,524
1954	2,148,464	2,715,266	1,920,345	51,310,281	8,009,772	41,049,121
1953	1,629,932	1,703,984	1,410,941	37,708,599	6,812,959	29,125,853
1952	1,533,060	1,630,415	1,234,308	34,909,457	5,607,942	27,140,887
1951	1,498,526	1,470,105	1,510,929	34,433,741	5,324,291	25,243,208
1950	1,467,580	1,253,112	1,918,216	29,501,823	4,268,950	23,233,487
1949	1,410,818	1,016,788	448,858	25,413,805	2,694,871	20,155,651
1948	1,410,264	1,146,767	669,562	24,580,470	1,847,178	19,749,974
1947	1,409,836	883,900	593,235	18,146,404	2,143,718	19,225,654
1946	1,408,642	547,675	1,560,922	17,723,628	1,309,947	18,692,768
1945	1,254,782	401,921	443,654	14,363,699	1,485,880	9,382,976
1944	1,254,782	348,333	340,315	10,570,155	1,073,386	8,939,322

*Reflects two for one split effective March 9, 1956.

General Shoe Operations

IN THE EMPIRE STATE BUILDING
General Shoe has the following operations:

Headquarters Offices for:
I. Miller Shoe Company
Carlisle Shoe Company
General Shoe Export-Import Co.
Domani Shoe Company

Fashion Display Offices for:
Saval Shoe Company
Valentine Shoe Company
Fortunet Shoe Company
Friendly-Acrobat Shoe Co.
Christian Dior Shoe Co., is at 730 Fifth Avenue.
Mannequin Shoe Co., is at 112 West 34th St.
Dominion Shoe Co., is at 112 West 34th St.
In the Marbridge Building are fashion display offices of:
Jarman Shoe Company
Fortune Shoe Company
Douglas Shoe Company

Corporation general offices are at 730 Fifth Avenue

Central Accounting offices, 9 West 56th St.

BONWIT TELLER. This is the New York store at 721 Fifth Avenue. Others are in Manhasset, Long Island; White Plains, N. Y., Boston, Chicago, Cleveland and Palm Beach. An eighth store, in Millburn, N. J., will open next year.

DELMAN SHOE COMPANY. Shown here is Bergdorf-Goodman's world-known salon at 754 Fifth Avenue, where Delman shoes are sold at prices up to $100. Across the country, Delman shoes are found only in the finest stores. Delman's manufacturing plant is at 345 Hudson Street, in Manhattan.

FRANK BROTHERS, FENN-FEINSTEIN. The store at 9 East 57th Street. Men's clothing, furnishings and shoes. Stores also in Chicago, New Haven and Palm Beach.

s in New York

For years General Shoe has had very sizeable business operations in the New York area. We believe that our share-owners will be interested in knowing about these operations. Some of them are told about on these two pages. Such names include Bonwit Teller, Henri Bendel, Delman, Christian Dior Shoes, I. Miller, Frank Brothers-Fenn-Feinstein, Whitehouse & Hardy, Flagg Bros., Hardy and W. L. Douglas. These are subsidiary divisions of General Shoe Corporation. Tiffany & Co., jewelers for over 100 years, are controlled by Hoving Corporation, in which General Shoe has a majority interest. Tiffany is at Fifth Avenue and 57th Street. Aside from these subsidiary operations, some of the most famous stores in New York have sold our shoes for many years. Among these are Saks Fifth Avenue, Abercrombie and Fitch, Lord and Taylor, Brooks Brothers, B. Altman, Bloomingdale's, Abraham and Straus, Arnold Constable, Rogers Peet, De Pinna, Weber and Heilbroner, Kolmer-Marcus and others.

42nd STREET NEAR BROADWAY—one of the 30 colorful FLAGG BROS. men's shoe stores in the New York area. Prices $8.95-$12.95. Boys' shoes $5.95-$6.95.

One of the nine HARDY men's shoe stores in New York. This is the store at 123 West 42nd Street. Prices $6.99 to $8.99.

W. L. DOUGLAS men's shoe store at 144 West 42nd Street. Douglas' two New York stores sell shoes in a price range from $10.95 to $14.95.

WHITEHOUSE & HARDY. A group of stores selling fine men's apparel and shoes. Locations: 681 Fifth Avenue, 149 Broadway, 1429 Broadway, 341 Madison Avenue and 16 West 50th St., on Rockefeller Plaza. Other locations: Miami Beach and Fort Lauderdale.

HENRI BENDEL COMPANY at 10 West 57th Street—a jewel case of fine apparel and accessories for women, with branches at Palm Beach and Southhampton.

THE I. MILLER SALON at Fifth Avenue and 54th Street. Others are at 450 Fifth Avenue and 1552 Broadway, plus 15 locations along the eastern seaboard. Bloomingdale's and Abraham & Straus sell I. Miller shoes in Greater New York. I. Miller's manufacturing plant is in nearby Long Island City.

SHOWING

General Shoe Lines

TO DEALERS AT CHICAGO FAIR

Who sells the shoes of General Shoe Corporation?

Independent shoe retailers, big department and specialty stores, chain stores and mail order houses—many thousands of these sell many millions of pairs of our shoes outside of those sold through our own groups of men's, women's and family shoe stores.

In late October we invited these important shoe people to see shoes that are made by all divisions of General Shoe—at a special presentation at the Chicago National Shoe Fair. A few of the pictures are on this page.

On the runways were 1959 spring fashions ranging from the highest-priced needle-point women's shoes and fine men's dress shoes, to sturdy but well-styled men's work shoes and children's footwear. At the microphones were a dozen or more of the nationally-known men and women who design all these lines for our many divisions.

On hand to speak for General Shoe Corporation were Chairman Maxey Jarman, President Ben Willingham and other executives from our nation-wide organization.

On Page 13 of this Annual Report, you will find a complete list of the brands that identify General Shoe Corporation—and which were extensively displayed and promoted at the Chicago Shoe Fair.

Hundreds of retailers from all over the United States viewing General Shoe's many spring fashions at our Chicago Shoe Fair presentation.

Models showed continuously new designs from our I. Miller, Delman, Christian Dior, Mademoiselle, Millerkin, Laird Schober, Saval, Valentine, Mannequin, Fortunet, Cover Girl, Datebook and Foamstep lines. Storybook and Party Goers, in boys' and girls' fashions, were shown.

THE TIFFANY DIAMOND, 128 carats and valued at over $500,000 displayed by Miss Chicago. Tiffany & Co., is controlled by Hoving Corporation, in which General Shoe Corporation has a majority interest.

MEN'S STYLE DIRECTOR DAVE PAYNE, at microphone, describes new styles for men and boys in lines such as Johnston & Murphy, Jarman, Fortune, Douglas and Safety First.

SUSAN EASTMAN, FASHION DIRECTOR for I. Miller, presents fashion from our top-priced lines, I. Miller, Christian Dior and Delman. The stage back-drop showed nationally-known General Shoe brand names.

Names that mean *General Shoe* to the men, women and children who buy our shoes and apparel

SHOES FOR MEN AND BOYS

Johnston & Murphy	Fortune	Davidson	STATLER SUPER Service Shoes	Sir Lancelot
FRANK BROTHERS	Flagg Bros.	SAFETY FIRST	Crestworth	
Jarman	HARDY	Cedar-Crest	Official BOY SCOUT SHOES	Kingston
W.L. Douglas	domani	Skyrider SHOES FOR BOYS	SENTRY SAFETY SHOES	

SHOES FOR WOMEN, GIRLS AND CHILDREN

DELMAN	Ingenue	mannequins	Acrobat	Storybook
I.Miller	Millerkins	CoverGirl	Party Goers	Datebook
Christian Dior	ted Saval	Fortunet	Bell BROS.	playMates
mademoiselle	valentine	Vogue	FOAMSTEP	
Laird Schober	Holiday	Kay King	Friendly	

BONWIT TELLER
. . . fine women's specialty stores in New York, Boston, Chicago, Cleveland, White Plains, Manhasset, Palm Beach.

Whitehouse & Hardy
. . . fine men's apparel stores in New York, Detroit, Miami Beach and Fort Lauderdale.

FRANK BROTHERS
FENN - FEINSTEIN
. . . fine men's apparel stores in New York, Chicago, White Sulphur Springs, Palm Beach, New Haven, Hot Springs, Va.

THE BERLAND SHOE STORES, INC.
. . . nation-wide chain of family retail shoe stores.

Innes Shoe Co.
. . . group of family retail shoe stores in Los Angeles area.

Armishaw's
. . . 2 family retail shoe stores in Portland, Oregon.

SOMMER & KAUFMANN
. . . family retail shoe stores in San Francisco Bay Area.

HENRI BENDEL
. . . West 57th Street, New York City, one of America's best-known top-quality women's specialty stores. Also in Southhampton and Palm Beach.

The Guaranlee SHOE COMPANY
. . . group of family retail shoe stores in San Antonio area.

Announcing the *Buckingham Boot, the slip-on with the look of a boot, about $33. Other styles $22.95 to $65. Seen at Blind Brook Polo Club.

"I have the simplest tastes. I am always satisfied with the best."
OSCAR WILDE

Johnston & Murphy

Division of General Shoe Corporation, 511 Main Street, Nashville 3, Tenn. *Design pat. pend.

From the New Yorker, October 18, 1958.

MR. CESARE CIOTTI IS VERY MUCH ATTACHED TO I. MILLER... 32 YEARS WORTH!

Mr. Ciotti of the Heel Attaching Department has a natural attachment to I. Miller. If you want to know exactly how heels are attached to shoes, just ask Mr. Ciotti. He'll show you with his own two hands how a heel is shaped and blended into the character of an I. Miller Shoe. Like many of our shoemakers who have been with the company for thirty years and more, Mr. Ciotti believes that a fine shoe is a work of art—made by him and I. Miller.

I.Miller

"where people are always in fashion"

MR. ABE KAUFMAN OF I. MILLER HASN'T SKIPPED A STITCH IN FIFTEEN YEARS!

Mr. Kaufman has the feel of fine leather in his fingertips, the love of quality in his heart. That is why he has been on the job at I. Miller for the past fifteen years. Like so many of our craftsmen who have been with the company for thirty years and more, Mr. Kaufman likes to know that his employers appreciate him and consider his special skill the vital ingredient that goes into the making of an I. Miller shoe. Mr. Kaufman is a shoe-maker, one of the most important titles a man can have at I. Miller.

I.Miller

"where people are always in fashion"

IGNAZIO LOMBARDO IS VERY PROUD OF I. MILLER'S LASTING QUALITY THIRTY YEARS' WORTH!

Mr. Lombardo has plenty of reason to believe in the lasting quality of I. Miller. He works in the Side Lasting Department, and if you want to know the meaning of "I. Miller Shoes," just ask Mr. Lombardo. Like many of our shoemakers, he has spent years and years learning the craft of making quality shoes. He is one of our many craftsmen who have been with the company for thirty years.

I.Miller

"where people are always in fashion"

MR. MILTON SILVERSTONE PERSONIFIES THE TRADITION OF I. MILLER!

Mr. Silverstone is a shoemaker who doesn't make shoes. Not with his own hands, anyway. But there isn't a shoe that comes out of the I. Miller factory that doesn't in some way reflect the heart and soul of Mr. Silverstone. His job is the care and handling of customers. He knows personally every I. Miller wholesale customer, understands their likes, dislikes and needs. He has maintained good relations with the trade for 35 years. Like so many of our people who have been with the company for 30 years and more, Mr. Silverstone believes that the quality of an I. Miller shoe reflects the dedication to quality of I. Miller people. I.Miller

"Where people are always in fashion"

Selections from a series of I. Miller ads appearing in Footwear News, Fall and Winter, 1958.

Plants... 39 in 11 States

Our new 60,000 square foot plant in Lewisburg, Tenn. It makes men's shoes and was opened in December.

	MEN'S—BOYS' SHOES	WOMEN'S SHOES	CHILDREN'S SHOES
ALABAMA	Huntsville		
CALIFORNIA		Los Angeles	
GEORGIA	Atlanta	Lawrenceville	Carrollton
KENTUCKY		Frankfort	
		Danville	
MASSACHUSETTS		Spencer	
		Lawrence	
		Holliston	
MISSISSIPPI		Ripley	
		Iuka	
		Fulton	
NEW HAMPSHIRE		Manchester	
NEW YORK		New York City	
		Long Island City	
PENNSYLVANIA		Carlisle	
		Harrisburg	
TENNESSEE	Nashville 2	Nashville	Camden
	Gallatin 2	McMinnville	Hohenwald
	Tullahoma	Cowan	Centerville
	Pulaski		
	Lewisburg		
	Waynesboro		
TOTALS	10	18	4

Other Plants MICHIGAN, Whitehall — Upper Leather Tannery. TENNESSEE, Nashville — Rubber and canvas shoes for men, women and children; sole-cutting, box-making, chemicals, adhesives, heel-finishing.

General Shoe, planning major expansion in the work shoe field, acquired Safety First Shoe Company, its highly valuable vulcanizing processes, trade names and plant properties this Fall.
ABOVE: The most modern machines making vulcanized work shoes.

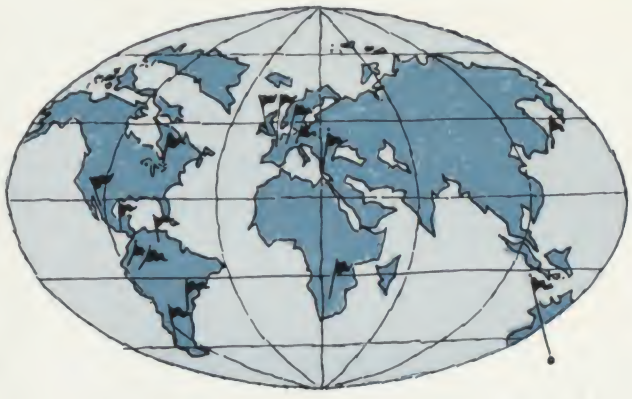
BELOW: The Safety First plant at Holliston, Mass.

15 Year Common Stock Record

Figures prior to 1956 adjusted to reflect two for one split of common shares effective March 9, 1956.

	Earnings Per Share for Year	Year's Dividend	Taxes Per Share	Book Value Per Share	Paid to Stockholders	Year's Price Range	Number Stockholders
1958	$1.89	$1.50	$3.55	$19.32	$3,705,685	$27¼-20¼	9,610
1957	2.07	1.50	3.76	18.84	3,704,947	27¼-21¼	9,056
1956	2.32	1.43¾	3.35	18.31	3,450,168	33¼-24½	8,192
1955	2.31	1.25	3.39	16.71	2,685,760	31⅞-24⅞	5,760
1954	2.11	1.25	3.11	15.64	2,575,998	25¾-20½	5,774
1953	2.15	1.25	3.68	15.30	1,954,610	25½-20⅜	5,561
1952	2.06	1.25	2.98	14.56	1,913,572	20-18¼	5,798
1951	2.25	1.25	2.81	13.56	1,863,517	19⅝-17	5,837
1950	2.52	1.25	2.30	12.40	1,777,801	19⅞-15⅛	5,693
1949	1.57	1.25	1.64	10.64	1,763,393	15⅛-12	4,380
1948	1.73	1.25	1.68	10.31	1,762,611	15¾-12½	4,201
1947	1.67	1.25	1.95	9.81	1,762,059	18½-13	3,982
1946	1.88	0.80	2.05	9.37	1,088,496	23½-14½	3,696
1945	0.86	0.50	3.01	7.08	627,391	15½-9½	3,364
1944	0.77	0.50	2.83	6.73	627,391	9⅞-7⅜	3,254

World Operations



We are associated with 23 shoe manufacturers and retailers in the following 16 countries: Australia, Canada, Chile, Colombia, France, Germany, Great Britain, Israel, Japan, Mexico, Peru, El Salvador, South Africa, Switzerland, Uruguay and Venezuela. The combined production of these associates last year was about 15 million pairs.

Some of the world's most successful shoe people are among our associates. We are proud that they say their association with General Shoe Corporation has greatly helped them in their success.

No other shoe company makes, and sells at wholesale and retail, a comparable variety of shoes in types, constructions and prices in the USA or internationally. No other shoe company has a comparable international exchange of the best in style, technical and merchandising information.

Other industries, such as oil, chemical, rubber, have found international cooperation indispensable to their success. Our associates and we feel that our international arrangements will continue to make a useful contribution to the development of the international shoe business, and will continue to produce good results for our associates and ourselves.

Our Export-Import Division exports our shoes and those of our associates all over the world. It also helps some of our associates by importing and merchandising their shoes in the USA. General Shoe Corporation and its associates are by far the most extensive international group of shoe manufacturers, wholesalers, and retailers in the international shoe business. This enables our Export-Import Division to perform an increasingly useful function in the international exchange of shoes.

Better Ways of Doing Things

Our Research Department has developed this radically new Rotomatic Conveyor to greatly simplify the delivery of many materials that travel through a Fitting Room. It is simple, costs little and should produce big savings. Many improved processes and machines are being produced by our Research Department.

In November we began full-scale uses of the newest I.B.M. electronic brain. Main results will be better, faster customer service, reduced cost, less capital tied up in inventories, better production planning and increased manufacturing efficiency.

The 705 shows off here by computing 10,000 separate payroll checks in less than one hour.

General Shoe Corporation

OPERATING COMPANIES

ASSOCIATED SALES
C. Edward Brittain, *President*

BELL BROTHERS, INC.
Parks C. Runyon, *Vice President*

BERLAND SHOE COMPANY
I. M. Kay, *President*
Samuel Intrater, *Vice President*

CARLISLE SHOE COMPANY
Ralph H. Stollmack, *President*
Ellis M. Simon, *Vice President*
Fred L. Herrmann, *Vice President*

CEDAR-CREST SHOE COMPANY
John M. Ezzell, *President*
Lloyd Krug, *Vice President*

CIRCLE SHOE MANUFACTURING COMPANY
Eli G. White, *General Manager*

DELMAN-DIOR SHOE COMPANY
DELDOR SHOE COMPANY
Rubin Adler, *President*

DOMANI SHOES
Francis W. Parker, *General Manager*

DOMINION SHOE COMPANY
Houghton D. Vaughn, *President*
William Lyle Hammond, *Vice President*

W. L. DOUGLAS SHOE COMPANY
John P. Gifford, *Vice President*

DOUGLAS RETAIL STORES
Jack K. Rhodes, *General Manager*

EDWARD HAAN SHOE COMPANY
Edward H. Haan, *President*

FABRICA NACIONAL DE CALZADO EL TRIUNFO
Clarence E. Cobbs, *Executive Vice President*

FABRICA DE ZAPATOS ECLIPSE
Charles W. McGavock, *Executive Vice President*

FAMILY SHOE SUPPLY COMPANY
Sidney A. Smith, *Vice President*

FLAGG BROS.
J. Owen Howell, *Vice President*

FLEISHER SHOE COMPANY
Benjamin F. Fish, *President*
Charles R. Majors, *Vice President*

FORTUNE SHOE COMPANY
Dee L. Metcalf, *Vice President*

FORTUNET SHOE COMPANY
William W. Wells, *Vice President*

FRANK BROTHERS—FENN-FEINSTEIN
Robert C. Bolick, Jr., *President*

FRIENDLY-ACROBAT SHOE COMPANY
George R. Hill, *Vice President*

GENFOAM SHOE COMPANY
K. B. Stone, *Sales Manager*

GENERAL RETAILERS' SERVICE AGENCY
Ernest B. Holt, *General Manager*

GENERAL RETAIL CORPORATION
William M. Blackie, *President*
Earl L. Britain, *Vice President*
J. Owen Howell, *Vice President*
Joseph B. Long, *Vice President*
Sherman E. Rose, *Vice President*
Parks C. Runyon, *Vice President*
William A. Givan, *Secretary*
Willard W. Sledge, *Treasurer*
Frank A. Ruemekorf, *Asst. Secretary*

GENERAL SHOE SALES CORPORATION
Matt S. Wigginton, *President*
Houghton D. Vaughn, *V. President*
Charles W. Cook, *Vice President*
Howard D. Baldridge, *V. President*
Willard W. Sledge, *Secretary*
E. DeVaughn Woods, *Treasurer*
Charles R. Murphy, *Asst. V. President*
John A. Ball, *Asst. Vice President*

I. MILLER & SONS, INC.
DIRECTORS
Harry A. Bass
William M. Blackie
Noble C. Caudill
James G. DeLacey
W. Maxey Jarman
Maurice Miller
Michael Miller
Leon Mnuchin
M. M. Stollmack
Matt S. Wigginton
Ben H. Willingham

SOUTHERN SHOE MANUFACTURING COMPANY
H. Nelson Carmichael, *President*

STORYBOOK SHOE COMPANY
Carlton Y. Richardson, *Vice President*

TRIANGLE SHOE MANUFACTURING COMPANY
C. Wilbon Marlin, *General Manager*

VALENTINE SHOE COMPANY
Frank Fleming, *President*

WHITEHOUSE & HARDY STORES COMPANY
Leslie F. Vail, *President*

GUARANTEE SHOE COMPANY
Harold S. Brigman, *President*

GENERAL SHOE EXPORT-IMPORT COMPANY
Francis W. Parker, *General Manager*

GENERAL SUPPLY COMPANY
J. P. Saunders, *President*
Eugene E. Wager, *Vice President*

HARDY SHOE STORES
Joseph B. Long, *Vice President*

HENRI BENDEL COMPANY
Miss Geraldine Stutz, *President*

HOLIDAY SHOE STORES
Sherman E. Rose, *Vice President*

HOVING CORPORATION
Bonwit Teller:
Walter Hoving, *President*
Alfred W. Miles, *Vice President, Secretary & Treasurer*
Walter Deiches, *Vice President & Apparel Mdse. Mgr.*
William T. Leonard, *Vice President, Operations*
William E. Humphreys, *Controller & Assistant Secretary*
C. Bay, *Accessories Merchandise Mgr.*

I. MILLER SALONS
Miss Grace Hill, *President*

I. MILLER SHOE COMPANY
Edward Russell, Jr., *President*
Milton Marcus, *Vice President & Sales Manager*
Miss Maxine Firestone, *Vice President & Design Director*

INNES SHOE COMPANY
Bruce G. Allbright, Jr., *Executive Vice President*

INTERCONTINENTAL SHOE CORPORATION
H. Stephan Klausner, *Vice President*

JARMAN SHOE COMPANY
Edward W. Graham, Jr., *Vice President*

JARMAN RETAIL STORES
J. Stewart Bronaugh, *General Manager*

JOHNSTON & MURPHY SHOE COMPANY
Duke J. Rose, *Vice President*

K. L. SHOE COMPANY, INC.
Alvan F. Rosenberg, *President*
Charles R. Majors, *Vice President*

KLEVEN SHOE SALES CO., INC.
Harry A. Bass, *President & Treasurer*

MANNEQUIN SHOE COMPANY
Harry A. Bass, *President & Treasurer*
Alan C. Ornsteen, *Vice President*
Stanley Goodman, *Vice President & Sales Manager*

MURPHY RETAIL
William A. St. John, *General Manager*

PYRAMID SHOE MANUFACTURING COMPANY
Bernard E. Reed, *General Manager*

REPUBLIC SHOE COMPANY
Charles W. Cook, *President*
Thad D. Brunson, *Vice President*

SAFETY FIRST SHOE COMPANY
J. Stuart McKindsey, *President*

SAVAL SHOE COMPANY
Charles R. Murphy, *President*

SOMMER & KAUFMANN
Clovis Saunders, *President*

General Shoe Corporation

DIRECTORS:

Howard D. Baldridge
William M. Blackie
Sam A. Buchanan
Earle T. Bumpous
H. Nelson Carmichael
Noble C. Caudill
Charles W. Cook
Walter Hoving
W. Maxey Jarman
I. M. Kay
J. Harlan Lawson
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
William H. Wemyss, Sr.
Matt S. Wiggington
Otis C. Williams
Ben H. Willingham
E. DeVaughn Woods

General Shoe Corporation

W. Maxey Jarman, *Chairman*
Ben H. Willingham, *President*
William M. Blackie, *Executive Vice President*
James P. Saunders, *Vice President & Secretary*
Noble C. Caudill, *Vice President & Treasurer*
Matt S. Wigginton, *Vice President*
H. Nelson Carmichael, *Vice President*
Otis C. Williams, *Controller*
E. DeVaughn Woods, *Auditor*
Candler W. Butler, Jr., *Assistant Vice President*
T. Douglas Oxford, *Assistant Treasurer*
William H. Wemyss, Jr., *Assistant Treasurer*
Carl H. Stephens, *Assistant Secretary*
James H. Cheek, *Assistant Secretary*
Sam A. Buchanan, *Director Industrial Relations*
Maxwell E. Benson, *Director Public Relations*

Executive Offices: 111 Seventh Avenue, North • Nashville 3, Tennessee, U.S.A.

Transfer Agents:

Common stock: Guaranty Trust Company of New York, New York, and First American National Bank, Nashville, Tennessee.
All Preference stock: Guaranty Trust Company of New York, New York.

Registrars:

Common stock: Chemical Corn Exchange Bank, New York, New York, and Nashville Bank and Trust Company, Nashville, Tennessee.
All Preference stock: Chemical Corn Exchange Bank, New York, New York.
Annual Meeting of Stockholders: March 2, 1959.